



Missouri Department of Natural Resources Energy Center

MISSOURI ENERGY BULLETIN

January 23, 2004

Energy prices and supplies shown throughout this bulletin are from Tuesday, Jan. 20, 2004 (Monday, January 19 was a federal and state holiday) unless otherwise noted. Also shown are energy data from a month ago, Dec. 15, 2003, and from a year ago, Jan. 20, 2003.

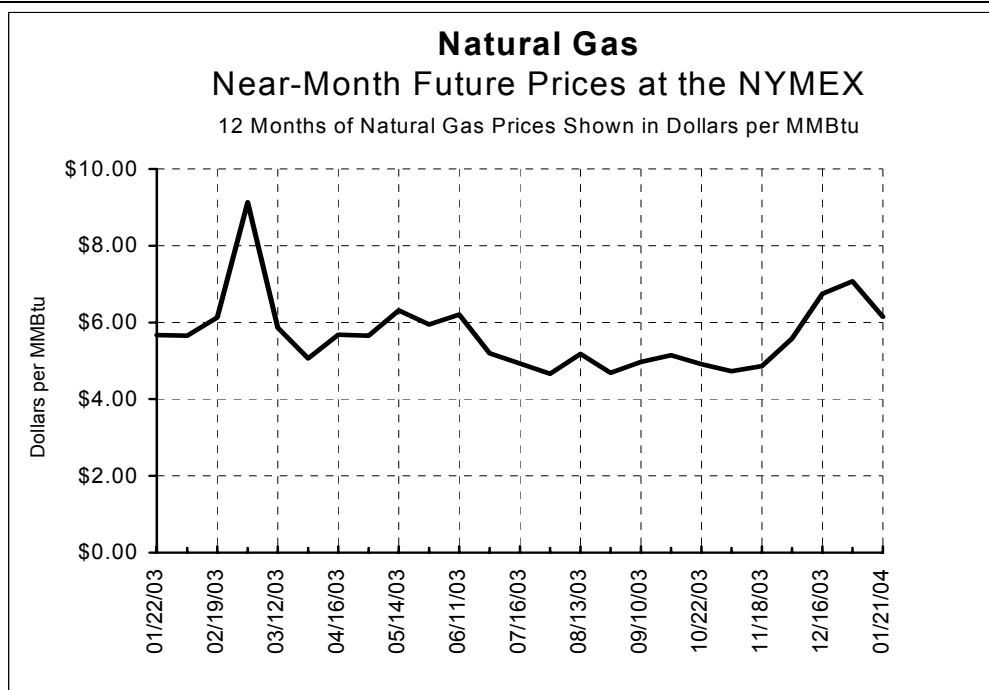
Heating Fuels

Heating fuels tracked in the Missouri Energy Bulletin include natural gas, propane and residential heating oil. All heating fuel prices and supplies shown from October through March are updated in every new release of the bulletin. From April through September, propane and heating oil prices and supplies are either not available or revised once a month.

Natural Gas

Approximately 60 percent of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity. From 1997 to 2000, Missouri electric utilities' use of natural gas increased by an annual average of 23 percent.

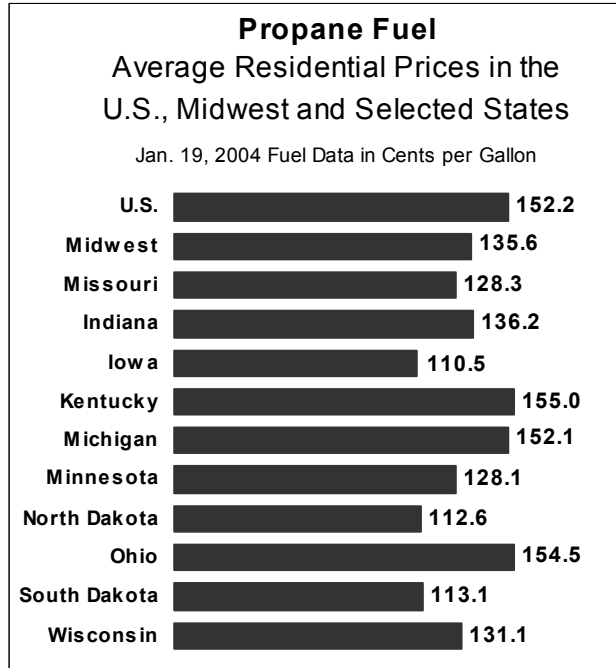
- The spot price for natural gas at the Henry Hub, throughout this last month (Dec. 16 to Jan. 21), decreased by 0.36 dollars per MMBtu (6 percent) moving from 6.60 to 6.23 dollars per MMBtu. Throughout this last year (Jan. 20, 2003 to Jan. 21, 2004), the price paid increased by 0.76 dollars per MMBtu moving from 5.48 to 6.23 dollars per MMBtu, an increase of 14 percent. (Source: *Wall Street Journal*)
- The near-month contract settlement price paid for natural gas futures at the NYMEX, throughout this last month (Dec. 16 to Jan. 21), decreased by 0.60 dollars per MMBtu (9 percent) moving from 6.75 to 6.15 dollars per MMBtu. Throughout this last year (Jan. 22, 2003 to Jan. 21, 2004), the price paid increased by 0.48 dollars per MMBtu moving from 5.67 to 6.15 dollars per MMBtu, an increase of 8 percent. (Source: *Wall Street Journal*)
- After declining for much of the period from January 9 through January 16, prices at most trading locations surged on Tuesday, January 20, when traders returned after the Martin Luther King, Jr. holiday weekend to find colder-than-expected weather. Prices followed lower after EIA's Weekly Storage report on January 22 of lower-than-expected withdrawals.
- Working gas in storage was 2,258 Bcf or 9.3 percent above the 5-year average as of January 16, according to EIA's Weekly Natural Gas Storage Report. Implied net withdrawals were 156 Bcf, or about 5.5 percent less than the previous 5-year average withdrawal of 165 Bcf. Although this is the largest net withdrawal of the 2003-2004 winter to date, the withdrawal is 29 percent less than last year's pull of 219 Bcf.



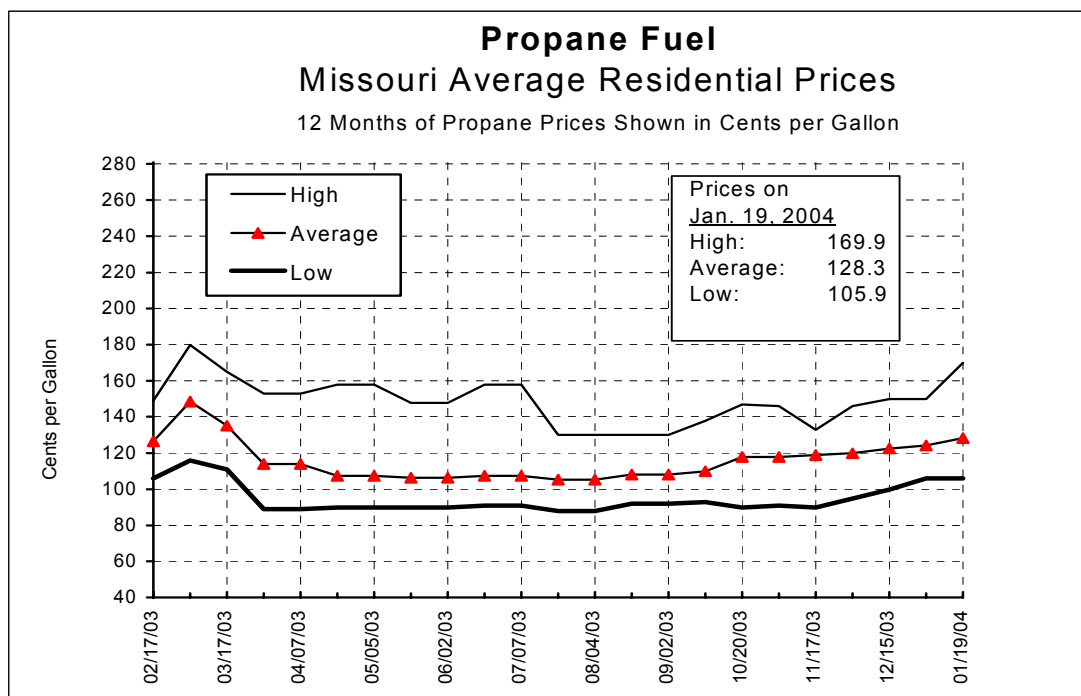
Propane

Approximately 12 percent of Missouri households heat with propane, which is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles. In 2000, Missourians spent about \$459 million and used 455 million gallons of propane.

- The average price paid for residential propane in **Missouri**, throughout this last month, increased by 5.8 cents per gallon (5 percent) moving from 122.5 to 128.3 cents per gallon. Throughout this last year, the price paid for propane increased by 15.4 cents per gallon moving from 112.9 to 128.3 cents per gallon, an increase of 14 percent.
- Propane stocks in the **United States**, throughout this last month (Dec. 12 to Jan. 16), were down by 16.4 million barrels moving from 59.4 to 43.0 million barrels, a decrease of 28 percent. In the **Midwest**, stocks were down by 4.3 million barrels moving from 23.5 to 19.1 million barrels, a decrease of 18 percent.
- Propane stocks in the **United States**, throughout this last year (Jan. 17, 2003 to Jan. 16, 2004), were down by 0.1 million barrels (less than 1 percent) moving from 43.1 to 43.0 million barrels. In the **Midwest**, stocks were up by 2.3 million barrels moving from 16.8 to 19.1 million barrels, an increase of 14 percent.



- Since the beginning of the month, U.S. inventories of propane have dropped by nearly 7 million barrels, which is about 47 percent of the average monthly draw for January, based on the most recent 5-year period. As such, this draw most likely will fall significantly short of approaching the record 18.7 million-barrel stockdraw recorded during January 2003. For the third consecutive week, Midwest inventories ended the week above the Gulf Coast region, marking the first time this has occurred in more than four years. Although Gulf Coast inventories began the heating season more than 13 million barrels above those in the Midwest region, the draw on Midwest inventories since that time has been far below normal, possibly reflecting weak heating demand during this period.



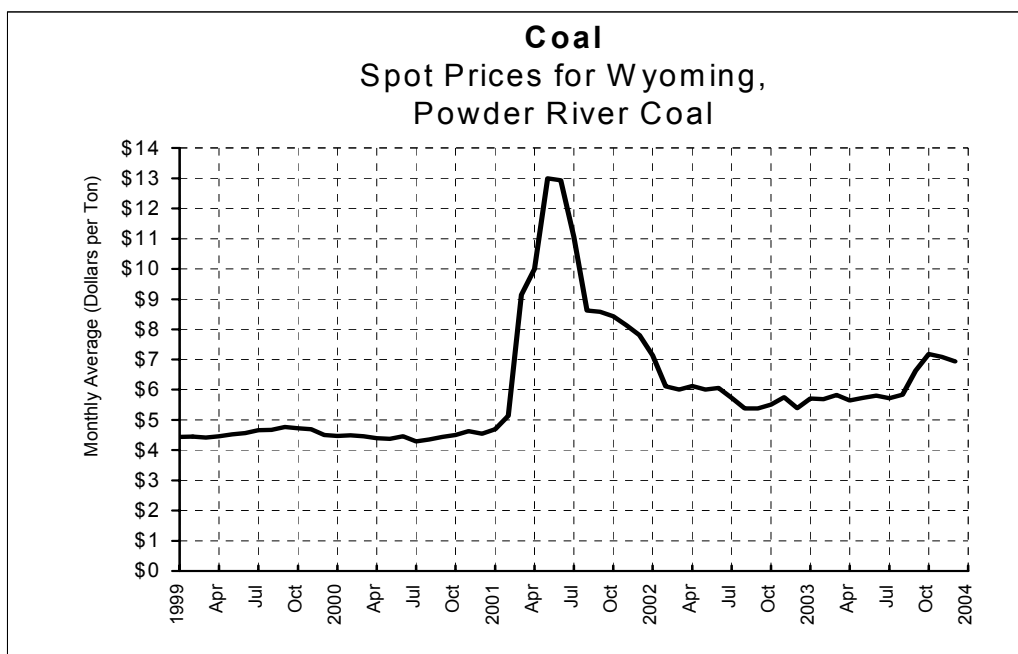
Residential Heating Oil

- The average price paid for residential heating oil in the **Midwest**, throughout this last *year*, increased by 6.2 cents per gallon moving from 126.2 to 132.4 cents per gallon. In the **United States**, the average price paid increased by 13.4 cents per gallon (9 percent) moving from 145.3 to 158.7 cents per gallon.
- Residential heating oil stocks in the **Midwest**, throughout this last *month* (Dec. 12 to Jan. 16), were up by 1.0 million barrels (14 percent) moving from 7.4 to 8.4 million barrels. In the **United States**, stocks were up by 2.9 million barrels (6 percent) moving from 52.4 to 55.3 million barrels.
- Residential heating oil stocks in the **Midwest**, throughout this last *year* (Jan. 17, 2003 to Jan. 16, 2004), were up by 0.6 million barrels (8 percent) moving from 7.8 to 8.4 million barrels. In the **United States**, stocks were up by 4.0 million barrels (8 percent) moving from 51.3 to 55.3 million barrels.

Coal

Coal-fired electric power plants located in Missouri produced 84 percent of all electric power used throughout the state in 2001. Of all coal delivered to Missouri during 2000, about 96 percent came from Wyoming.

- The monthly average price paid for Wyoming, Powder River coal, throughout this last month (Nov. to Dec.), decreased by 0.15 dollars (2 percent) moving from 7.09 to 6.94 dollars per ton. Throughout this last year (Dec. 2002 to Dec. 2003), the average price paid increased by 1.55 dollars moving from 5.39 to 6.94 dollars per ton, an increase of 29 percent. (Source: *Wyoming Insight*, Dec. 26, 2003)

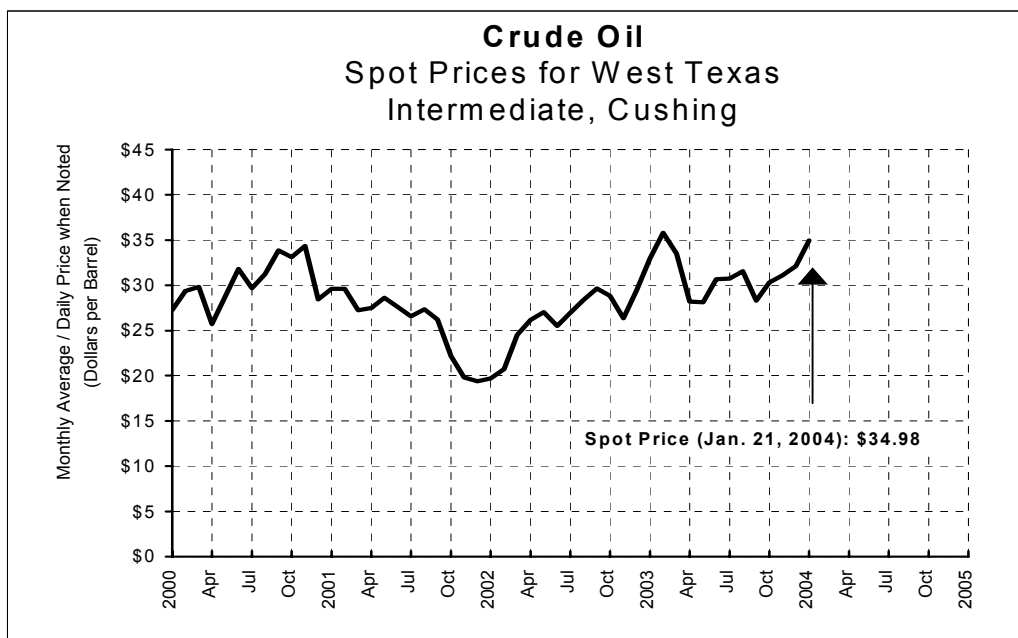


- Estimated coal production for the week ending Jan. 17, 2004 was 21.2 million short tons (mmst). This was 3.5 percent above the comparable week in 2003. Year-to-date U.S. coal production is estimated at 49.59 mmst, or 5 percent behind the corresponding total for 2003.

Crude Oil

- The spot price of crude oil (West Texas Intermediate - Cushing), throughout this last month (Dec. 16 to Jan. 21), increased by 2.10 dollars per barrel (6 percent) moving from 32.88 to 34.98 dollars per barrel. Throughout this last year (Jan. 20, 2003 to Jan. 21, 2004), the spot price increased by 0.35 dollars per barrel moving from 34.63 to 34.98 dollars per barrel, an increase of 1 percent. (Source: *Wall Street Journal*)
- Over the last four-week period, crude oil imports into the United States have averaged nearly 9.6 million barrels per day, much more than the 8.6 million barrels per day averaged over the same four-week period a year ago. Even with more imports, U.S. commercial crude oil inventories (excluding the Strategic Petroleum Reserve) are over 10 million barrels less than last year's low level and remain near

28-plus year lows. The main reason for this apparent disconnect (i.e., higher imports but lower inventories) is an increase in demand, or in the case of crude oil, inputs to refineries. Although product demand over the last four weeks has averaged 1.6 percent less than the same period a year ago, crude oil demand, defined as the amount of crude oil used in refineries, is actually up 532,000 barrels per day, or 3.6 percent. Over the last four weeks, 14.9 million more crude oil barrels have been used by refineries compared to the same period a year ago.



Transportation Fuels

- The average retail price paid for regular unleaded gasoline in **Missouri**, throughout this last month, increased by 19.2 cents per gallon (15 percent) moving from 131.0 to 150.2 cents per gallon. Throughout this last year, the price paid increased by 16.6 cents per gallon moving from 133.6 to 150.2 cents per gallon, an increase of 12 percent.
- The average retail price paid for regular unleaded gasoline in the **United States**, throughout this last month, increased 13.0 cents per gallon (9 percent) moving from 146.5 to 159.5 cents per gallon. Throughout this last year, the price paid increased by 13.6 cents per gallon, an increase of 9 percent.
- The average retail price paid for highway diesel fuel in **Missouri**, throughout this last month, increased by 9.0 cents per gallon (6 percent) moving from 140.5 to 149.5 cents per gallon.

Regular Unleaded Gasoline

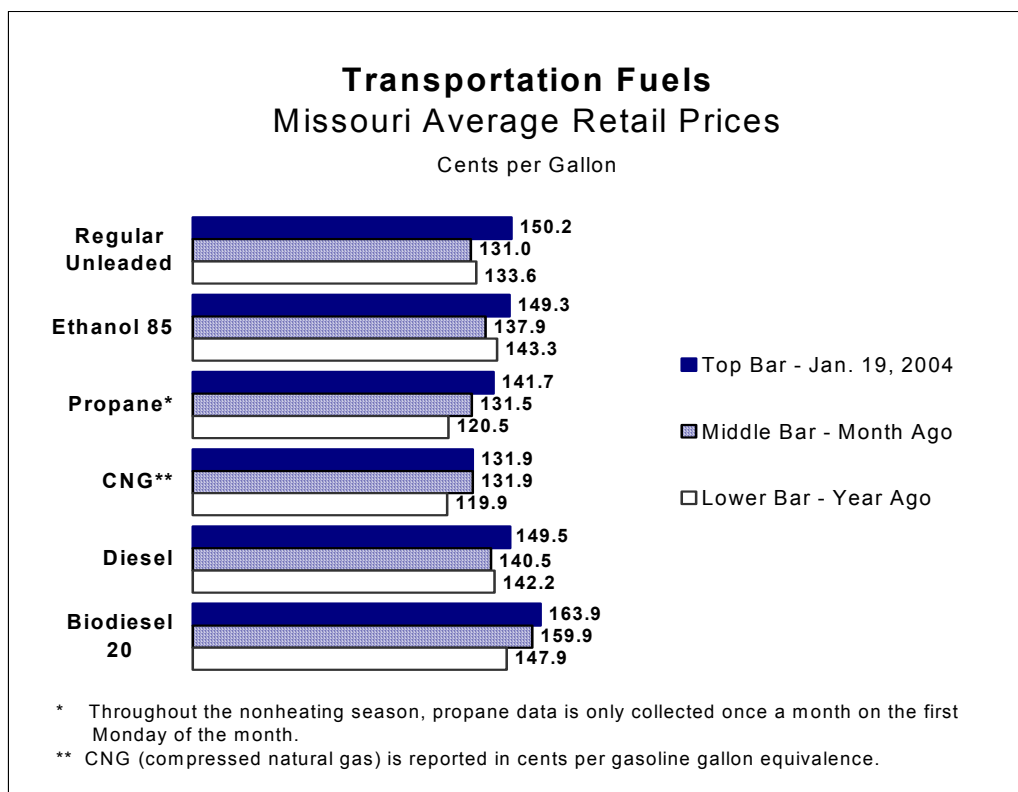
Average Retail Prices in the U.S.,
Midwest, Missouri and Missouri
Regions

Jan. 19, 2004 Fuel Data in Cents per Gallon

U.S.	159.5
Midwest	158.0
Missouri	150.2
Central, Mo.	147.7
Kansas City, Mo.	149.9
Northeast, Mo.	149.5
Northwest, Mo.	149.7
St. Louis, Mo.	156.5
Southeast, Mo.	145.1
Southwest, Mo.	148.1

Throughout this last year, the price paid increased by 7.3 cents per gallon moving from 142.2 to 149.5 cents per gallon, an increase 5 percent.

- Total motor gasoline stocks in the **Midwest**, throughout this last *month* (Dec. 12 to Jan. 16) were up by 2.3 million barrels (4 percent) moving from 52.3 to 54.6 million barrels. In the **United States**, stocks were up by 7.1 million barrels moving from 202.4 to 209.5 million barrels, an increase of 4 percent.
- Total motor gasoline stocks in the **Midwest**, throughout this last *year* (Jan. 17, 2003 to Jan. 16, 2004), were up by 2.1 million barrels (4 percent) moving from 52.5 to 54.6 million barrels. In the **United States**, stocks were down by 6.8 million barrels moving from 216.3 to 209.5 million barrels, a decrease of 3 percent.



The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Energy Bulletin is a public resource that is made available to state government decision-makers, to any other interested individual upon request and on-line at the Energy Center Internet site. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration and Chicago Regional Office; the National Association of State Energy Officials the Missouri Propane Gas Association and the Propane Education and Research Council; the St. Louis AAA Auto Club; regional state energy offices; and, Missouri's energy retailers.